

U.S. Commercial
Mortgage
Servicer Report

CWCapital LLC and CWCapital
Asset Management LLC

Ratings

CWCapital LLC Primary Servicer Master Servicer	CPS2 CMS3
CWCapital Asset Management LLC Special Servicer	CSS2+

Analysts

Richard Carlson
+1 312 606-2373
richard.carlson@fitchratings.com

Jeff Wagner
+1 646 478-6592
jeff.wagner@fitchratings.com

**See page 9 for Servicer at a
Glance details.**

Summary

Fitch Ratings upgrades CWCapital Asset Management LLC's (CWCAM) commercial mortgage-backed securities (CMBS) special servicer rating to 'CSS2+' from 'CSS2'. In addition, Fitch affirms CWCapital LLC's (CW) primary and master servicer ratings of 'CPS2' and 'CMS3', respectively. The special servicer rating upgrade reflects the group's highly experienced asset management staff, robust asset management technology platform, and ability to successfully manage substantial portfolio growth, as demonstrated through its favorable interaction with Fitch's CMBS surveillance group. Also considered in Fitch's analysis are CWCAM's proactive surveillance team and low special servicing management and staff turnover since Fitch's past review. The primary servicer rating reflects CW's experience as a longstanding CMBS primary servicer, as well as its demonstrated excellent track record in collecting and reporting annual operating statements for CMBS loans. The master servicer rating is based on the company's procedures in place for the oversight of third-party servicers and its ability to report and remit to CMBS trustees. Both the master and primary servicer ratings also reflect the company's experienced and tenured servicing staff and management team.

Strengths

- Highly experienced servicing and asset management staff, with low turnover.
- Extensive primary servicing experience (since 1994).
- Strong commitment to technology.

Concerns

- Minimal CMBS master servicing experience.

Mitigants

- Comprehensive procedures written for CMBS master servicing functions, such as advancing, primary servicer oversight, and reporting. Vast experience as a CMBS primary servicer.

Company Overview and Operational Highlights

CW has been an active CMBS primary servicer since 1994. It originates, underwrites, closes, and services loans for property owners and mortgage brokers. It also services loans for institutional investors. Moreover, CW focuses on Fannie Mae-delegated underwriting and servicing, Freddie Mac market rate and affordable programs, and U.S. Department of Housing and Urban Development nonrecourse mortgages.

Cadim Inc. controls a majority ownership interest in CW and is a global real estate investment manager. Cadim is a division of the Caisse de dépôt et placement du Québec (the Caisse), a large institutional fund manager in Canada with C\$257.7 billion in total assets under management as of Dec. 31, 2007.

CWCAM performs special servicing for CMBS contracts for third-party clients, in addition to when its parent and/or investment partners purchase the first-loss bonds. Cadim acquired

the special servicing units of Allied Capital (2005) and CRIIMI MAE Inc. (2006) and combined them to form CWCAM. As of March 31, 2008, CWCAM employed 16 CMBS asset managers and was actively specially servicing 115 CMBS loans and real estate owned (REO) assets totaling approximately \$904 million in unpaid principal balance.

CW's recent accomplishments include:

- Launched two new lending balance sheet programs offered through the capital markets group.
- Implemented a comprehensive insurance tracking module.
- Enhanced its borrower web site and increased the user base to 75%.
- Implemented a new document management system for all business units.

CWCAM's recent accomplishments include:

- Appointed by a third party as special servicer on 12 existing CMBS pools. Appointed as special servicer on 10 new CMBS pools.
- Resolved approximately \$656 million of CMBS loans and REO assets in the 12 months ended March 31, 2008.
- Upgraded its special servicing and asset management system to include an enhanced business plan module and an ad hoc report writer tool.
- Initiated a property management audit program.

Financial

Operating with strategic partners, Cadim invests in a wide range of debt and equity products in public and private markets, focusing on opportunity products and all types of properties. As of Dec. 31, 2007, total assets under management, diversified in the Americas, Europe, and Asia, totaled C\$40.3 billion. At the same date, the real estate debt portfolio held loans and other financing products for depositors that totaled C\$12.2 billion.

The Caisse is also a Canadian private equity investor; its investments in this asset class are 11.4% of its overall portfolio. Total assets under management totaled C\$28.1 billion.

Servicer Ratings

Fitch rates primary and master servicers, which protect the interests of the certificateholders in the trust by servicing and administering the mortgage loans. The primary servicer is responsible for day-to-day servicing functions, while the master servicer is responsible for monitoring the activities of the primary servicers, investor reporting, and timely remittance of funds to trustees.

Fitch also rates special servicers, which are key to maintaining the credit quality of a pool containing nonperforming commercial mortgages and real estate owned assets. The special servicer is responsible for working out loans, foreclosing, and liquidating assets.

In assessing and analyzing the capabilities of primary, master, and special servicers, Fitch reviews several key factors, including the management team, organizational structure and operating history, financial condition, information systems, and, with respect to the special servicer, workout and asset disposition experience and strategies.

Fitch rates commercial mortgage servicers on a scale of 1 to 5, with 1 being the highest rating. Within each rating level, Fitch further differentiates ratings by plus (+) and minus (-), as well as the flat rating. For a description of Fitch's rating criteria, see Fitch Research on "U.S. Commercial Mortgage Servicer Rating Criteria," dated Sept. 14, 2007, available on Fitch's web site at www.fitchratings.com.

Employees

CW is currently staffed with 47 full-time employees involved in primary and master commercial mortgage loan servicing. Experience levels of loan servicing management and staff are as follows:

- Senior management averages 20 years of industry experience and 17 years with CW.
- Middle management averages 18 years of industry experience and eight years with CW.
- Loan servicing staff averages 10 years of industry experience.

CW's CMBS primary and master servicing group experienced 14.9% overall turnover with no management turnover in 2007. The group has not lost a manager in the past four years.

All CW servicing personnel are required to log a minimum of 40 hours of industry and/or professional enhancement training each year. In 2007, the servicing group averaged 44 hours of training. The company's training program consists of the following:

- In-house training seminars.
- Industry-sponsored training events.
- Web-based courses offered through the Mortgage Bankers Association.

As of March 31, 2008, CWCAM had 93 employees directly involved in special servicing. Since Fitch's previous review, CWCAM has experienced 8.6% overall turnover, including the loss of only one manager. CWCAM's continued strong employee retention contributed to the special servicer rating upgrade.

Experience levels of special servicing management and staff are as follows:

- Senior management averages 22 years of industry experience and seven years of tenure with the company.
- Middle management averages 22 years of industry experience and five years with the company.
- Asset managers average 17 years of industry experience.

Special servicing training is concentrated in two areas. One component is the analyst training program, which consists of in-house seminars, Commercial Mortgage Securities Association (CMSA) courses, and training on Realm Business Solutions, Inc.'s Argus. The second training area is continuing education, which emphasizes property operations, third-party services, and legal issues. CWCAM maintains an education committee made up of representatives from various departments that meet monthly to coordinate analyst training and continuing staff development. In addition, CWCAM recently implemented an intensive two-day training program for analysts and associates covering such topics as credit analysis, fixed-income investments, property valuation, and CDO analysis. CWCAM employees averaged 42 hours of training in 2007, which compares favorably to other Fitch-rated special servicers.

Policies and Procedures

Policies and procedures for both groups are thorough and complete and available to all employees online via a shared network directory. All policies and procedures are formally reviewed on an annual basis.

CW's compliance analyst performs quarterly reviews on 7% of the company's loan portfolio, including loans serviced by all personnel. Additionally, in 2007, 2% of the CMBS portfolio (20 loans) was tested under Regulation AB (Reg AB) procedures. Deloitte & Touche LLP conducted both the Reg AB and Uniform Single Attestation Program (USAP) year-end 2007 examinations for CW. Both reviews resulted in an instance of noncompliance, whereby certain escrow accounts were not analyzed within a 12-month period. CW has modified its procedures to ensure compliance with this requirement in the future.

Matthews, Carter and Boyce, P.C. conducted a review of CWCAM, examining pooling and servicing agreement (PSA) compliance and effective internal controls. The review resulted in no findings. In 2007, CWCAM initiated the first of several planned internal audit programs, a review for property management companies. CWCAM expects to implement audits for both loan management and REO management in late 2008.

Matthews, Carter and Boyce performed the annual USAP examination for CWCAM and issued a letter of compliance on Feb. 19, 2008. Deloitte & Touche performed the Reg AB audit for CWCAM and issued a letter of compliance on March 14, 2008.

Technology

CW uses Financial Industry Computer Systems, Inc.'s Commercial Servicer (CS) Version 4.40 as its servicing system of record. CS was demonstrated to be flexible and user-friendly and contains all data necessary for CMSA reporting. Auxiliary systems include:

- Eureka Software for report writing.
- Microsoft Office software products.
- BUS — a pipeline management system.

CW continues to maintain a thorough loan servicing crisis management/contingency plan. The disaster recovery plan is tested twice a year, most recently in December 2007 with successful results.

CWCAM uses the CMBS Asset Management System (CAMS) for special servicing and asset management. The CAMS system has been customized to meet CWCAM's specific needs, such as ensuring compliance with PSAs and internal policies and procedures. The system calculates servicing fees, spreads financial statements, generates operating statement analysis reports, and creates CMSA reports, in addition to providing a platform for asset managers to generate business plans for specially serviced assets.

CAMS also continues to feature both a consent and assumption tracking and review module and a surveillance/watchlist module to dual-track loans placed on the master servicers' watchlists and CWCAM's internal watchlist.

CWCAM also performs disaster recovery tests twice a year, most recently in December 2007 with successful results.

Primary Servicing

As of March 31, 2008, CW's total servicing portfolio consisted of 1,071 loans totaling \$9.1 billion. As of the same date, the company acted as primary servicer in 40 CMBS transactions, servicing 481 CMBS loans totaling \$4.9 billion.

Servicing functions are performed by four departments — loan administration, investor reporting, asset management, and insurance administration. Loan administration handles the following loan servicing functions:

- New loan setup.
- Tax and insurance administration.
- Reserve draw requests.
- Escrow analysis.
- General customer service.

The investor reporting group prepares the monthly CMSA files and reports and manages the servicing database. The CS system automatically generates the full CMSA investor reporting package.

The asset management group is responsible for the following:

- Property inspections.
- Operating statement analyses.
- Watchlist creation and maintenance.
- Credit decisions.

The insurance administration group handles the following functions:

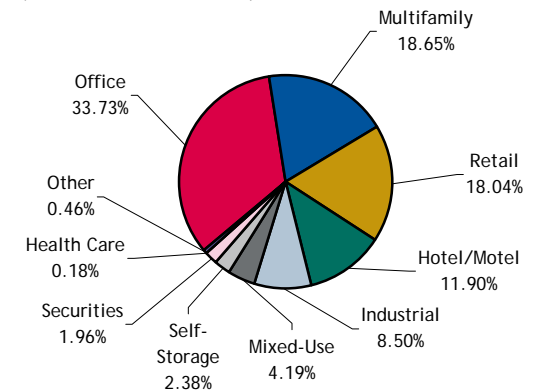
- Insurance expirations/renewals.
- Compliance.
- Escrow administration.
- Corporate risk management.

CW continues to maintain its borrower information center (BIC) web site, from which borrowers can obtain payment information, news items, the loan history, the escrow history, and contact information for their loan administrator. BIC offers historical information, as well as print functionality. The BIC user base has increased to 75%.

CW continues to negotiate PSA language to garner more responsibility as a primary servicer for transactions in which CWCAM is named as special servicer. In these

Property Type — Master and Primary Servicing Portfolio

(As of March 31, 2008)



Note: Numbers may not add to 100% due to rounding.
Source: CWC Capital LLC.

circumstances, CW and CWCAM handle all analysis and approval of borrower requests, such as lease approvals and assumptions. The master servicer is notified of all decisions by CW but does not separately review or approve these requests.

As of July 31, 2007, CW reported 100% of the required 2006 annual operating statements in its CMBS portfolio.

Master Servicing

As of March 31, 2008, CW was named master servicer on one CMBS transaction, with 17 loans totaling \$30.8 million.

CW is currently named master servicer for one CMBS transaction, in which it performs both the primary and master servicing roles. The servicing group maintains comprehensive policy and procedure manuals for master servicing that address such areas as primary servicer oversight, reporting and remitting to trustees, and advancing.

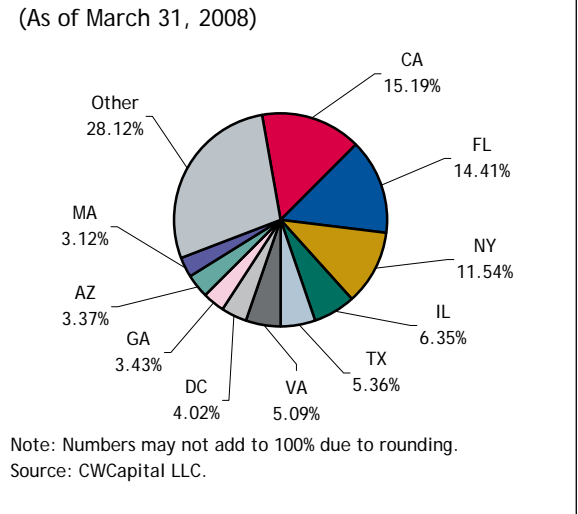
Oversight of the primary servicers will be handled at two levels. Through the regular reporting requirements for investor reporting and asset management, CW will monitor the day-to-day servicing performance of the primary servicers. Particular emphasis will be placed on tax and insurance collections and disbursements to ensure protection of the collateral. Property financial statement collection and analysis also will be monitored and reviewed for accuracy. Through periodic primary servicer reviews, either on-site or desk reviews, CW will review specific criteria to determine primary servicer compliance.

All credit decisions will be handled by a lender consent committee made up of the relationship manager and representatives from CW's asset management, loan administration, and legal departments, in addition to other senior managers. This committee will address all credit decisions, including:

- Property sales or transfers.
- Secondary financing.
- New leases or changes to existing lease terms.
- Loan modifications.

The committee will also review and approve these types of requests submitted by outside primary servicers.

Geographic Distribution – Master and Primary Servicing Portfolio
(As of March 31, 2008)



Special Servicing

As of March 31, 2008, CWCAM was named special servicer on 118 CMBS transactions and was special servicing 115 CMBS loans and REO assets totaling \$904 million. From its inception in mid-2005 through March 31, 2008, the special servicing group resolved 392 CMBS loans and REO assets with an unpaid principal balance at resolution of \$1.96 billion.

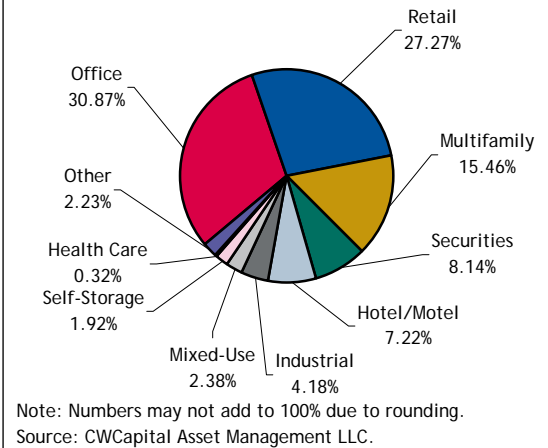
CWCAM employs a value-oriented approach to special servicing. Each month, the group reviews all assets and performs a bottom-up loss analysis on any asset for which there is an indication of a change in value or disposition strategy. Asset managers are responsible for a monthly review of all relevant data points, including asset cash flows, anticipated capital needs, advances, market conditions, and appraisals. The resulting valuation analyses are presented to senior management to ensure continuous estimates of collateral and bond values.

CWCAM continues to operate with a team structure, in which an analyst is assigned to each asset manager. This structure allows asset managers to manage higher volumes, as well as more complex assets. In addition, CWCAM established teams within its organization, based on property type concentrations. Each team is headed by the department directors and consists of various staff from each department and at each level of the organization. Teams are grouped by expertise (i.e., the hotel team consists of asset managers and analysts with extensive hospitality experience) and meet on a regular basis. The main responsibilities of the teams are to understand the portfolio exposure to their assigned property type and analyze the related risk; help produce appropriate measurements for evaluating property and loan performance; develop internal property management audit templates; and provide training to other company staff.

CWCAM has a dedicated staff of 13 experienced professionals to handle assumptions and other borrower consents. Tracking of the process is centralized and automated in CAMS, helping to ensure timely processing. CWCAM also has a dedicated in-house legal staff that

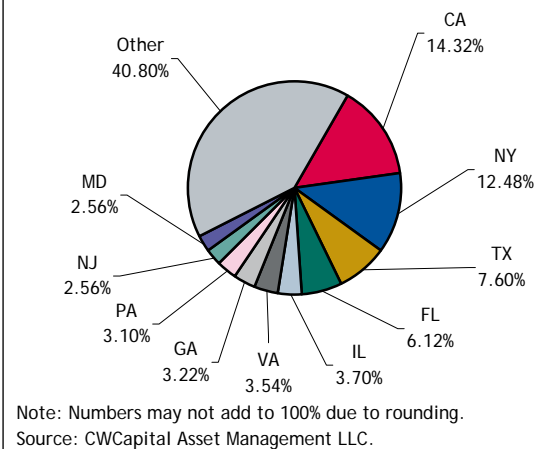
Property Type – CMBS Special Servicing Portfolio

(As of March 31, 2008)



Geographic Distribution – CMBS Special Servicing Portfolio

(As of March 31, 2008)



performs a variety of tasks, including facilitating the retention of outside legal counsel; reviewing contracts, leases, and other documents related to special servicing; abstracting and interpreting PSAs and other servicing contracts; and assisting in compliance efforts.

CWCAM performs ongoing, regular surveillance on the loans and bonds in its portfolio. Objectives of this analysis include:

- Proactive identification of problem loans at the master servicer level.
- Monitor of trust expenses and reconciliation of cash received versus cash expected.
- Prevention of unnecessary loan transfers to the special servicer.
- Encouraging early transfer to the special servicer of loans requiring immediate intervention.

Monthly surveillance reports include:

- Interest payment summary.
- Delinquency report.
- Watchlist report.
- Interest shortfall report.
- Pool delinquency report.

CWCAM maintains an ongoing watchlist, in addition to the master servicers' list. Key criteria in determining watchlist loans include:

- Financial conditions.
- Borrower issues.
- Property condition issues.
- Lease rollover.
- Tenant issues.
- Vacancy.
- Loan maturity.
- Loans identified by acquisitions.

CWCAM continues to provide prompt and quality service to Fitch's performance analytics team in conjunction with CMBS deal reviews.

Servicer At A Glance — CWCapital LLC/CWCapital Asset Management LLC

Experience (Years)	
Servicing	22
CMBS Servicing	14
Overseeing Primary Servicers	0
Loan Workout	13
CMBS Workout	13
Credit Rating	Fitch does not rate the credit of La Caisse de dépôt et placement du Québec.
Employees	
Number of Employees	140
Senior Management:	
Experience in Industry (Years)	22
Tenure with Company (Years)	9
Middle Management:	
Experience in Industry (Years)	21
Tenure with Company (Years)	6
Average Training Hours Per Employee Per Year	43
Overall Employee Turnover (%)	10.7
Management Turnover (%)	2.6
2007 USAP/Regulation AB Audits	Deloitte & Touche LLP/Matthews, Carter and Boyce, P.C.
Financial Statement Reporting Rate (%)^a	
Primary Servicer Rate	100
Servicing Systems	Financial Industry Computer Systems' Commercial Servicer, Version 4.40; CMBS Asset Management System

^aAs of July 31.

Servicer Statistics

Master and Primary Servicing Statistics

(As of March 31, 2008)

Total Servicing Portfolio	
Unpaid Principal Balance (UPB) (\$ Bil.)	9.1
Number of Loans	1,071
CMBS Portfolio	
Primary Only with External Master	
Number of Transactions	40
UPB (\$ Bil.)	4.9
Number of Loans	481
Master Servicer	
Number of Transactions	1
UPB (\$ Mil.)	31
Number of Loans	17
Master/Primary (Full Servicer)	
UPB (\$ Mil.)	31
Number of Loans	17
Master Only (with External Primary)	
UPB (\$ Mil.)	0
Number of Loans	0

CMBS Special Servicing Portfolio

(As of March 31, 2008)

Number of Transactions	118	
Named Special Servicing:		
UPB (\$ Bil.)	175.2	
Number of Loans	14,391	
Active Special Servicing, Not Including REO:		
UPB (\$ Mil.)	702.8	
Number of Loans	84	
REO:		
UPB (\$ Mil.)	201.2	
Number of Assets	31	
Special Servicing Results	\$ Mil.	No. of Loans
Loans Resolved Since Inception	1,995	392
Loans Resolved Past 12 Months	656	134
CMBS – Commercial mortgage-backed securities. REO – Real estate owned.		

Copyright © 2008 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. One State Street Plaza, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. All of the information contained herein is based on information obtained from issuers, other obligors, underwriters, and other sources which Fitch believes to be reliable. Fitch does not audit or verify the truth or accuracy of any such information. As a result, the information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed, suspended, or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from USD1,000 to USD750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from USD10,000 to USD1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.